

COUNTY OF SAN DIEGO, CALIFORNIA
BOARD OF SUPERVISORS POLICY

Subject

Legislative Policy: State Payments of Funds to the County

**Policy
Number**

M-22

Page

1 of 2

Purpose

To enhance the ability of the County's Sacramento Legislative Representatives to provide input to legislators and legislative committees regarding timely payments of funds to the County.

Background

Presently, the State collects taxes (e.g., sales, cigarette, motor vehicle license fees, etc.) for apportionment to counties and reimburses the County for wide ranges of expenditures. Whereas the County is required to make timely payments to the State, there are no similar requirements imposed on the State. Therefore, the State retains funds, which should be allocated to counties, for extended periods of time plus the earned interest. This creates serious cash flow problems for the County by increasing our borrowing requirements, attendant interest costs, or results in a loss of interest earnings on such funds. In subvention programs, this payment lag means the County must advance funds and get reimbursed by the State at a later date. Incurred interest costs are not reimbursed.

Policy

It is the legislative policy of the County of San Diego regarding State payments of funds to the County to:

1. Support legislation requiring the State to promptly apportion all taxes collected on behalf of counties.
2. Support legislation requiring the State to make prompt payments of reimbursements and subventions.
3. Support legislation requiring the State to pay interest to the County in all situations where prompt settlements are not made.
4. Oppose legislation allowing the State to continue its present practices of retaining interest earned on the counties' share of funds.
5. Support legislation requiring the State to use a uniform settlement system netting all annual State-County payments and providing for fixed payments of a portion of amounts due on a monthly basis.

COUNTY OF SAN DIEGO, CALIFORNIA
BOARD OF SUPERVISORS POLICY

Subject

Legislative Policy: State Payments of Funds to the County

**Policy
Number**

M-22

Page

2 of 2

Responsible Departments

1. Auditor and Controller
2. Chief Administrative Officer

Sunset Date

This policy will be reviewed for continuance by 1-1-93.

Reference

- B/S Action 5-11-78 (9)
B/S Action 12-11-84 (32)
B/S Action 2-9-88 (4b)